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DIRECTORATE OF INTELLIGENCE

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# Central Intelligence Bulletin

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#### \*Vietnam

South Vietnam: There are more indications of discontent with President Thieu among some of the generals, but apparently there is no danger of an early move against him.

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The Lower House yesterday joined the Senate in rejecting the government's partial mobilization decree. The house voted to establish a committee to draft mobilization legislation on behalf of the assembly.

Despite this setback the government is apparently going ahead with plans to implement the controversial decree. Plans to recall veterans in the 18-33 age bracket were announced yesterday in Saigon.

Cambodia: Phnom Penh has commented officially on speculation in the western press about the possibility of Allied 'hot pursuit' into Cambodia.

On 21 December Phnom Penh radio announced that ''35,000 armed soldiers'' and the ''entire civilian population'' would fight US troops if they invaded Cambodia.

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There is no evidence, however, that Phnom Penh intends significantly to strengthen its border defenses, even though Chief of State Sihanouk recently exhorted his people to prepare for a full-scale guerrilla war.

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\*European Communities - UK: France's veto of negotiations with the British is likely to be followed by a period of stagnation in community affairs, and serious frictions within the membership may be developing.

A meeting of agricultural ministers--running concurrently with the Council session on 18-20 December-was suspended by the German chairman after the Dutch minister had called for a halt in reprisal for the French action. This in turn infuriated French minister Faure, particularly because items of special interest to France had yet to be considered. At a subsequent meeting of social affairs ministers, the Belgian and Dutch representatives announced they would attend only as "silent partners" after their request for a cancellation was blocked by the German chairman.

It is not clear how long such harassing tactics against the French will persist nor whether all Five will be willing to join in them. There is a prevailing feeling of indignation among the Five and within the Commission, but also a sense of resignation. Bonn, in particular, still seems minded to play down any air of crisis and presumably will be very cautious lest a "coalition of the Five" lead to unwanted strains in the Franco-German "entente."

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Dutch Foreign Minister Luns, according to press accounts, told parliament yesterday that all Five would begin "consultations" with Britain, but it is unclear with what authority he speaks.

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\*The Acting Director of the Bureau of Intelligence and Research, Department of State, believes that although the French action has caused considerable ill will, the repeatedly demonstrated unwillingness of Chancellor Kiesinger to allow the UK entry issue to injure Bonn-Paris relations, combined with Italian reluctance to see a crisis in Western Europe develop before their election in June, will preclude any serious split (if that is what is meant by "serious frictions"), regardless of the degree of Benelux indignation before that time.

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Chile-Argentina: Chilean President Frei warns that the latest episode in his country's dispute with Argentina over navigation rights in the Beagle Channel could develop into a serious incident.

The current tension began in November when Argentine naval units fired at a Chilean patrol boat that came close to the base at Ushuaia while Argentine firing exercises were being conducted. The Chilean skipper has been relieved of command, but tempers are high in both countries.

Frei has expressed fears that elements of the Argentine military plan to provoke an incident as a prelude to seizing three disputed channel islands. He stated that the navies of both countries rely on the Beagle problem to justify requests for high budgets and new equipment.

Chile has asked the United Kingdom to arbitrate this dispute under a 1902 treaty. Argentina, however, has rejected arbitration by the UK, preferring to deal directly with Chile.

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#### NOTES

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Cuba: Opponents of Fidel Castro's policies have been arrested recently.

Those arrested apparently had been urging Castro to chart a more moderate course, on the domestic as well as the international scene. Some are old-line Communists, who have in any case been pushed to the fringes of power since 1964. Others, still in important positions, as well as some "moderates" in the middle ranks of the regime have probably been affected, too.

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\*Dahomey: Lt. Col. Alley was named head of state yesterday, replacing Major Kouandete who led the coup that ousted General Soglo on 17 December. Alley, army chief of staff under Soglo, had been detained since the coup. He was probably elevated to the presidency at the urging of the French, whose financial support is crucial to Dahomey. The retention of Kouandete as head of government indicates that Alley will not be given free rein and that the young officers who took power earlier this week do not intend to relinquish their control of the country.

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